



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

April 23, 1982

- SUBJECT: Change in Period of Time Used to Establish Commodity Prices for Computing Emergency (EM) Loan Production Losses

TO: All State Directors, District Directors,
County Supervisors and Director, National
Finance Office

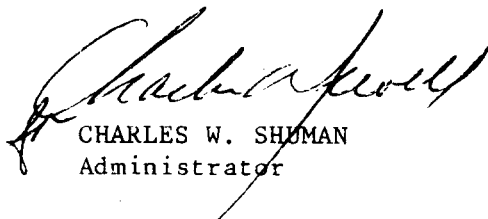
Public Law 97-35, which was enacted July 29, 1981, made certain statutory changes. It specifically identifies the period of time to be used in establishing commodity prices which are utilized in determining EM loan eligibility and amount of actual production loss loan entitlement.

Effective as of the date of this AN, for all disasters occurring on or after February 1, 1982, commodity prices will be established by averaging the monthly market prices of each commodity for the 12-month period preceding the calendar year in which the disaster occurs. This discontinues the use of the 36-month average monthly market price as presently prescribed in paragraph (a)(2)(iii) of §1945.163 of FmHA Instruction 1945-D, except for those disasters occurring prior to February 1, 1982. FmHA Instruction 1945-D is being revised accordingly and will be distributed soon. For those disasters which occurred after May 25, 1981, and prior to February 1, 1982, the 36-month average price will continue to be used.

State Directors are hereby instructed to rescind State Supplements issued in accordance with paragraph (a)(2)(iii) of §1945.163 of FmHA Instruction 1945-D, and issue a new State Supplement which prescribes the method of establishing commodity prices in accordance with the above underlined language.

The data source from which average monthly prices are obtained remains unchanged.

You are reminded that prompt issuance of a new State Supplement is extremely important since the new method for establishing commodity prices is a matter of law.



CHARLES W. SHUMAN
Administrator

Expiration Date: March 31, 1983

Filing Instruction:
Preceding FmHA Instruc-
tion 1945-D

SENT BY ELECTRONIC MAIL ON April 23, 1982 at 9:42 a.m. by MISDIMPS.

